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September 19, 2005

VIA FEDERAL EXPRESS

U.S. Environmental Protection Agency, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466
Attention: Joshua Rickard (8ENF-AT)

**Re: Response to Clean Air Act Request for Information –
Xcel Energy Leyden Natural Gas Storage Facility**

Dear Mr. Rickard:

Enclosed is the response of Public Service Company of Colorado ("PSCo") to the August 17, 2005 Request for Information (the "Request") from the United States Environmental Protection Agency ("EPA") concerning the Leyden Natural Gas Storage Facility ("Facility") in Jefferson County, Colorado.

As an initial matter, it is important to point out that the questions raised in the Request were explored in-depth before the Colorado Oil and Gas Conservation Commission ("COGCC") during two full days of hearings regarding the closure of the Facility, in which the COGCC considered the expert reports and sworn testimonies of five scientific experts. The Colorado General Assembly has vested the COGCC with the "exclusive authority to regulate the public health, safety, and welfare aspects, including protection of the environment, of the termination of operations and permanent closure" of underground natural gas storage caverns. See § 34-60-106(17)(a), C.R.S. In September 2003, the COGCC unanimously approved PSCo's plan for closure of the Facility, expressly finding that the plan protects public health and the environment.

In addition, EPA has approved Colorado's air program, pursuant to which the Colorado Department of Public Health and Environment ("CDPHE") has primary jurisdiction to implement and enforce the Clean Air Act ("CAA") in the State. The CDPHE has determined that venting of natural gas at the Facility does not exceed regulatory levels. Indeed, the constituents in the natural gas are well below emission standards for volatile organic compounds and hazardous air pollutants. Moreover, the natural gas stored at the Leyden Facility is not an extremely hazardous substance subject to regulation under Section 112(r) of the CAA.


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The COGCC and the CDPHE have acted to ensure that the closure of the Facility is protective of human health and the environment and complies with the CAA. Given the extensive involvement of these State agencies, there simply is no basis for EPA's Request.

Nonetheless, PSCo has acted in good faith to provide a detailed response to the Request. This response is based upon a review of PSCo's records, and includes all non-privileged information in PSCo's custody and control that relate to EPA's Request. This response is based upon information and belief, and, except where otherwise noted, is complete given the information known to date. To the extent PSCo discovers any new information, it specifically reserves the right to supplement or amend these answers. This response does not constitute an admission by PSCo of liability with respect to the Facility, the conditions on or surrounding the Facility, or any acts or omissions by any person concerning the Facility.

If you have any questions regarding the enclosed response, please contact me or Bill Uding at 303-571-7383.

Very truly yours,


James D. Albright
Assistant General Counsel

Attachments
Enclosures

cc (without enclosures):

Ken Fellman, Mayor
City of Arvada
P.O. Box 8101
8101 Ralston Road
Arvada, CO 80001-8101

Craig Kocian, City Manager
City of Arvada
P.O. Box 8101
8101 Ralston Road
Arvada, CO 80001-8101

cc (without enclosures) (continued):

Brian J. Macke, Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Ave., Suite 801
Denver, CO 80203

Margie Perkins
Colorado Department of Public Health and Environment
Air Quality Division
4300 Cherry Creek Dr-S
Denver, CO 80246